



ADUR & WORTHING
COUNCILS

Key Decision: Yes

Ward(s) Affected: All

Moving Forward with Citizen WiFi

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1.** This report provides an update on the progress made to deliver next generation digital infrastructure across Adur and Worthing council areas - providing widespread ultrafast internet access to homes, businesses and public spaces, creating the most digitally connected places in the south east. The commercial roll out of fibre to homes and businesses by Cityfibre is progressing well and is on schedule with more than 3,000 homes passed to date.
- 1.2.** This report is focused on the next stage in the programme which is to provide **free Citizen WiFi** and an “internet of things” (IoT) network. These are key deliverables in Platforms for Our Places and have even greater importance for the post COVID-19 world, where digital connectivity will play a greater part in all our lives. Providing council-run Citizen WiFi to residents and visitors in key public places will put Adur and Worthing in really strong positions to innovate in high street renewal, tourism, creative and digital arts, local business growth and to provide essential access to the digitally excluded. The Councils have become regional leaders in digital infrastructure and with Citizen Wifi and IoT networks, they will add two new highly valuable layers to the civic digital platform.
- 1.3.** The foundation of Citizen WiFi will be a brand new network infrastructure, installed in the new Cityfibre Fibre Exchange, with equipment owned by the Councils. This network, with services run by a newly procured broadband ISP supplier, will open up multiple opportunities for efficiencies in the way

connectivity is delivered in the future to our main buildings, sheltered housing, CCTV, as well as provide Citizen WiFi to public spaces and community centres. Establishing this new network infrastructure, coupled with the 30 year Right to Use of the dark fibre infrastructure to 83 council assets gives the councils a high degree of control over costs, and broad scope to innovate.

- 1.4. As reported in May 2019 to the Joint Strategic Committee, the extended public gigabit programme will see fibre installed at 83 of the councils' assets over the next 2-3 years, with construction work aligned to Cityfibre's fibre to the home programme.
- 1.5. Citizen WiFi access points will run from the new "dark fibre" connections being constructed at council assets, and these fibre points need to be activated or "lit" through the procurement of a network service provider. The provider will install and manage new network equipment and services - acting as the broadband ISP for the network which will also be used for fixed fibre broadband to assets such as sheltered housing, community centres and the councils' corporate buildings, subject to a full network review currently underway. Procurement of the ISP supplier is already well progressed, and the contract will be awarded subject to the approval of the recommendations in this paper by Joint Strategic Committee. This will trigger the installation of new network equipment in the Fibre Exchange and the establishment of "backhaul" connections to the internet.
- 1.6. The Citizen WiFi service itself (the access points and the WiFi managed service) will be separately procured around October 2020, following completion of a **Design Lab** exercise - being undertaken by consultants, funded by grant monies. This will define the user requirements for Citizen WiFi, with research undertaken with retailers, shoppers, visitors, freelancers, the digitally excluded and other user groups. The gigabit project is working closely with the councils' digital team to align their work with councils' network review to ensure the best possible design for our public service network as a whole.
- 1.7. This report outlines and seeks approval for the capital and revenue funding requirements that remain after a number of successful applications for grant funding, raising a total of £2.2m against a total project scheme cost of £3.7m. This has significantly reduced the capital demands on the Councils, from the £2.55m provision agreed by Joint Strategic Committee in May 2019, down to £1.5m.
- 1.8. The report briefly describes a range of potential revenue generating opportunities arising from the councils public connectivity platform. No

assumptions have been made about revenue generation in the financial forecast, meaning the financial model is cautious, with good prospects for further improving the position to that set out in the report.

2. Recommendations

2.1. It is recommended that the Joint Strategic Committee:

i) Approves a revised capital budget of £3.7m, the increase is funded through external funding, the revenue consequences of which can be accommodated within the existing budgets.

ii) Notes that a procurement for Citizen Wi-Fi will be undertaken once the design lab (see 1.5) is complete.

iii) Approves a budget of £25k in 2020-21 funded from the inflation budget, which will enable the Councils to exploit opportunities in 20-21 to commence design and pilot testing of Citizen Wi-Fi. This approval would be on the basis that the Councils' return to the Committee in 2021-22 to update on the progress and status of network consolidation to reduce costs, and revenue generating activities that aim to address the revenue impact of Citizen WiFi expansion from 2022-23 onwards.

iv) Approves the release of £300k in the period 2021/22 - 2024/25, noting that this will commit the Council to additional £75,000 funding in 2021/22 as previously outlined in the report to members on the 2020/21 budget which will enable the contract to progress.

3. Context

3.1. In May 2019, Joint Strategic Committee received a report which outlined the opportunity for a substantial extension to the gigabit full fibre scheme which, in phase one, had connected our main buildings through Gigabit West Sussex, the very first project in the UK funded by the DCMS Local Full Fibre Fund.

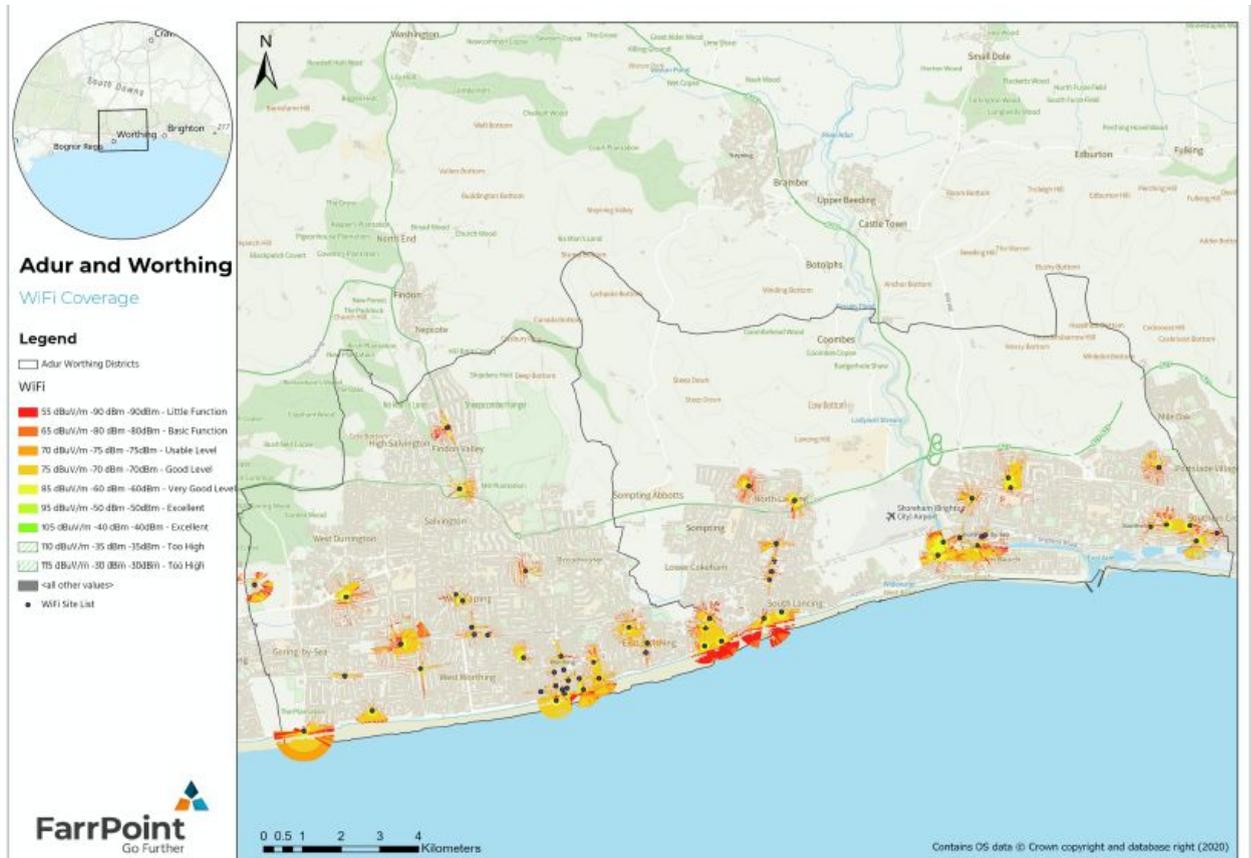
3.2. The extension would provide fibre connections to 83 council assets across Adur and Worthing, delivering sufficient fibre in the ground (enough of a footprint) to enable an additional commercial investment of £25m by the supplier Cityfibre, for "Fibre to the Home and Business". The large public sector extension would provide a highly valuable public fibre infrastructure on which to develop multiple additional digital public services for the benefit of the people and businesses of Adur and Worthing.

- 3.3.** At the time, West Sussex Leaders were developing their approach to funding digital infrastructure through the business rate pool, and Joint Strategic Committee were asked to provide a capital budget of £2.55m for the dark fibre project in advance of allocation decisions from the pool. This allowed progress to be made with a view to grant funding being received to meet some of the costs.
- 3.4.** As a result of the forward thinking decision by the Joint Strategic Committee, contracts were signed using the Gigabit West Sussex procurement framework, and progress was quickly made. A site was identified for the Cityfibre Fibre Exchange (network data centre) on council owned land, and subsequently Cityfibre announced a £25m investment in Adur & Worthing with the aim of connecting around 60,000 homes. The company rapidly constructed the data centre and have now dug fibre to 3,000 homes with active services expected to be marketed to residential customers from July/August 2020. The scope and scale of the programme is unprecedented in the south east, and Adur & Worthing Councils are known as regional leaders in digital infrastructure.
- 3.5.** The existing contract with Cityfibre will see the councils' 83 assets connected over the next 2-3 years. These include community centres, CCTV and sheltered housing sites, with capital payment only being due after successful delivery of 90% of sites. There is no separate public sector build programme in order to avoid disruption and cost, and our sites will be connected as the commercial programme passes them.
- 3.6.** As outlined in the May 2019 report at para 3.12, and represented in Platforms for Our Places, the councils' ambition for ultrafast public connectivity has not been limited to installing dark fibre to a large number of public assets. Citizen Wifi and IoT (internet of things) networks are also key services for the future of digital places, and the gigabit project has been undertaking analysis and developing the delivery plan for these as well.
- 3.7.** The Citizen WiFi network aims to provide free ultrafast public WiFi access in our town centres and other public spaces. Beyond the dark fibre connections, the provision of these services will require new broadband network infrastructure to be installed in the new Cityfibre Fibre Exchange, the purchase of public WiFi access point hardware, and the procurement of managed services to include IoT devices and management platform(s).
- 3.8.** Total programme costs have been estimated to enable bids to be made for grant funding. The costs were calculated as follows: £2.25m for dark fibre, £0.25m for project management & consultancy, £0.6m for Citizen Wi-Fi, £0.4m for network equipment and £0.2m for CCTV services.

- 3.9.** In September 2019 a business case was presented to the Local Enterprise Partnership (LEP) for Local Growth Funding (LGF), pitching for 50% of the estimated project costs. In October 2019, Adur and Worthing Councils were awarded 41% of their bid for LGF funding, **resulting in a grant of £676.5k**, to be drawn down by December 2020.
- 3.10.** It has been crucial to understand the right locations for our 83 fibre assets, making sure they provide as many benefits as possible, from fixed connections to community centres, through to Citizen WiFi and also helping plug any gaps in mobile coverage. In November 2019 the Councils engaged Farrpoint (an independent IT & Telecoms Consultancy) for surveys & analysis relating to mobile, Wi-Fi and IoT (Internet of Things) coverage. The key purpose of these activities were to:
- Identify the existing state of mobile coverage across Adur & Worthing
 - Identify the volume & locations of IoT gateways for good IoT coverage
 - Identify the volume of access points needed for external Wi-Fi services
 - Advise on the opportunities to attract 5G mobile network providers
- 3.11.** The surveys and analysis identified 12 mobile not-spot locations (no or poor mobile signal). It also confirmed that a deployment of 9 IoT gateways at specific locations would deliver near-100% IoT coverage across Adur & Worthing. A Wi-Fi access point design was proposed that would deliver external Wi-Fi coverage in primary & secondary shopping areas, parks, and the seafront. This work is now serving as a critical guide in design and procurement activities, and is now being replicated across the whole county area by the West Sussex County Council's digital infrastructure team.

Farrpoint Analysis: Wi-Fi Coverage Map

Note: the final extent of Citizen WiFi coverage will be determined during the procurement process, staying within the revenue cost budget outlined in this report.



- 3.12.** In February 2020, the West Sussex business rate pool confirmed an allocation of 50% of the dark fibre programme costs, or £1.25m. A further £300k has been identified from the Community Infrastructure Levy (CIL), subject to approval.
- 3.13.** The programme has therefore secured significant grant contributions, totalling £2.22m towards the £3.7m scheme, which includes capital investment in network, WiFi and IoT equipment.
- 3.14.** The remaining capital requirement from Adur & Worthing Councils is now £1.5m, well below the allocation made by the Joint Strategic Committee in May 2019 of £2.55m although this had been anticipated when the 2020/21 revenue budget was set.
- 3.15.** In relation to revenue funding requirements, as a result of the procurement process for the network services provider (the broadband ISP for Citizen WiFi, community centres etc), we have good cost information for that element. The revenue costs for the WiFi service are forecast allocations, and will be firmed

up as a result of the procurement process which will run July-Oct 2020.

- 3.16.** The financial projections include the allocation for Citizen WiFi from 2021/22 (£75k) which was presented to the Joint Strategic Committee in the budget in February 2020. With regard to the costs that will cease as a result of delivering the new infrastructure, more detail is provided in the tables below:

Costs ceasing (confirmed)	20-21	21-22	22-23	23-24	24-25
Sussex Police CSC	£0	£0	£9.2k	£9.2k	£9.2k
Existing Broadband	£0k	£5k	£13.2k	£13.2k	£13.2k
Corporate public Wi-Fi maintenance	£0k	£5k	£10k	£10k	£10k
Internet Gateway Costs	£0k	£10k	£15k	£15k	£15k
Land Rental Revenue (FEX)	£5k	£5k	£5k	£5k	£5k
WSCC Repayment & Maintenance	£0	£0	£1.2k	£1.2k	£1.2k
TOTAL	£5k	£25k	£53.6k	£53.6k	£53.6k

Further savings are forecast from the opportunities the new infrastructure will provide for network consolidation for the Councils' ICT network, and the following circuits have been identified for removal, subject to the findings of the ICT network review which is underway.

Costs ceasing (subject to ICT network review)	20-21	21-22	22-23	23-24	24-25
2 x 1Gbit/s Virgin AWS Circuits	£0	£0	£45k	£45k	£45k
1 x 100Mbit/s Voice Circuit	£0k	£0k	£5k	£5k	£5k
1 x 2Mbit/s PSN Circuit	£0k	£12k	£12k	£12k	£12k
TOTAL	£0k	£12k	£62k	£62k	£62k

4. Revenue generating potential

The financial strategy for the digital infrastructure programme has sought to maximise grant support, and avoid reliance on revenue generation. It will be crucial to the success of Citizen WiFi in particular that trust is established with users and maintained. We want people to see Citizen WiFi as reliable, trustworthy and fast. Our approach to advertising, for example, must be cautious and setting targets for income generation at this stage would be unwise. However, the establishment of a council owned fibre network, Citizen WiFi and an IoT platform has multiple potential uses and there are a number of avenues we will explore as the programme develops:

- Citizen Wi-Fi advertising / sponsorship
- Use for research, innovation and product development
- Citizen Wi-Fi business subscriptions
- Citizen Wi-Fi & IoT (non-personal) movement data
- Asset commercialisation for mobile network operators (4G/5G)
- IoT network commercialisation

5. Engagement and Communication

- 5.1.** In June 2019 face-to-face surveys were carried out to gauge public perception of existing connectivity in Adur and Worthing, and to confirm the level of public interest in a 'free to use' Council Wi-Fi service in shopping areas and public spaces. The survey drew 385 responses, with ~90% saying they would use an ultrafast free Wi-Fi service if it were available.
- 5.2.** In June 2020 the User Experience (UX) Design Lab will be carried out by Ove Arup, a digital agency procured through the gov.uk Digital Marketplace. The UX Design Lab will involve interviews with businesses, citizens, freelancers, and the digitally excluded to identify how a council-owned & controlled Wi-Fi service can deliver social, economic and environmental value. The outputs from the UX Design Lab will inform the Citizen Wi-Fi procurement (hardware & service) to ensure the Citizen Wi-Fi service is aligned with stakeholder and community needs.
- 5.3.** The Gigabit Project drives frequent communication between CityFibre, WSCC Highways, and ward members with regard to dark fibre delivery in specific areas. The FTTH (fibre to the home) delivery is supported by weekly meetings between WSCC Highways, Streetworks, and CityFibre, and the monthly SubGroup meetings run by the Council's has mandatory attendance from CityFibre, Highways, and Streetworks.

6. Financial Implications

- 6.1** The Councils approved a budget of £2.55m in May 2019 for the extension of the digital infrastructure which was to be funded through borrowing although the Councils would endeavour to secure external funding towards the cost of the scheme, thereby reducing the revenue cost to the Councils. At this time the revenue costs associated with the scheme were:

	Original
	£
Annual debt charges	121,830
Less:	
Current payments for WAN	-11,800
Annual rental for depot space	-5,000
	<hr/>
Maximum net cost to the Councils	105,030 <hr/>

As part of the development of the 2020/21 revenue budget, this was reduced to reflect the award of external funding towards the cost of the scheme.

- 6.2 This capital budget was subsequently revised to £3.3m in March 2020 to reflect the inclusion of public wifi which was funded by external funding.
- 6.3 It is now expected that the scheme will cost £3.733m, however in parallel with this increase the level of external funding has also increased, so the net cost to the Council has changed as follows:

	Original	Revised	Latest
	£	budget	forecast
	£	£	£
Cost of extended network	2,500,000	3,300,000	3,733,000
Cost of additional storage	50,000		
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Total capital spend	2,550,000	3,300,000	3,733,000
Less: External funding			
Business Rate Pool		1,250,000	1,250,000
Growth Fund		676,500	676,500
CIL			300,000
		<hr/>	<hr/>
Net cost to the Councils	2,550,000	1,373,500	1,506,500

- 6.4 The timescales for delivery have now been clarified. Much of the Council's own resources will now not be needed until later in the project, changing the annual revenue costs associated with the proposed investment. The project is now expected to be delivered and funded over the next four years as follows:

	Total budget	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£
Capital spend	3,733,000	203,000	1,116,000	231,000	2,183,000
Less: External funding					
Business Rate Pool	1,250,000				1,250,000
Growth Fund	676,500	203,000	473,500		0
CIL	300,000		300,000		0
Borrowing required by Councils	1,506,500	0	342,500	231,000	933,000

The revised revenue implications arising from this project are as follows:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£
Borrowing costs	4,280	31,130	81,770	81,770	81,770
Running costs:					
Dark Fibre Operation	0	0	8,000	8,000	8,000
ISP Operating Costs	0	50,400	60,000	60,000	60,000
Wi-Fi & IoT Operating Costs*	25,000	50,000	75,000	75,000	75,000
Total costs	29,280	131,530	224,770	224,770	224,770
Less: Income					
Rental of depot space	5,000	5,000	5,000	5,000	5,000
Contribution from WSCC			1,200	1,200	1,200
Total income	5,000	5,000	6,200	6,200	6,200
Net cost of proposal	24,280	126,530	218,570	218,570	218,570
Less: Confirmed savings					
Sussex Police CSC	0	0	9,200	9,200	9,200
Existing Broadband	0	5,000	13,200	13,200	13,200
Corporate public Wi-Fi maintenance	0	5,000	10,000	10,000	10,000
Internet Gateway Costs	0	10,000	15,000	15,000	15,000
Total savings c/fwd	0	20,000	47,400	47,400	47,400

	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£
Total savings b/fwd	0	20,000	47,400	47,400	47,400
Net impact of proposal	24,280	106,530	171,170	171,170	171,170
Budget approved for digital infrastructure	0	44,530	44,530	44,530	44,530
Net budget required	24,280	62,000	126,640	126,640	126,640
Citizen WiFi budget as per MTFs (to be approved as part of the 2021/22 budget)	0	75,000	75,000	75,000	75,000
Forecast impact of ICT network consolidation	0	12,000	62,000	62,000	62,000
Net budget forecast (subject to ICT review)	24,280	-25,000	-10,360	-10,360	-10,360

6.5 The budget reports considered in February 2020, indicated that budget provision of £75,000 would be required in 2021/22 to fund the Citizen WiFi. Approving this budget allocation at this time will enable the Council to let ISP and WiFi contracts in compliance with standing orders.

6.6 Expansion of the Citizen WiFi network from 2022/23 will be dependent on revenue savings achieved through the councils' ICT network consolidation work, and any additional revenue achieved (Para 4). A further report will be presented to the committee updating on the position during 2021/22.

7. Legal Implications

7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of its functions.

7.2 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

7.3 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.

7.4 Section 1 of The Local Government (Contracts) Act 1997 provides that every statutory provision conferring or imposing a function on a local authority confers the powers on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both (whether or not together

with goods) for the purposes of, or in connection with, the discharge of the function by the local authority.

- 7.5 Under the Public Contract Regulations 2015 where a Public Authority is to enter into a contract for the supply of goods & services, and the value of goods and services to be purchased exceeds a financial limit of £189,330 (or for works contracts £4,733,252) any procurement exercise to contract for those goods and services must be conducted in accordance with the Public Contract Regulations where the anticipated expenditure is below the EU threshold, the Councils must have regard to the Contract Standing Orders found in the Council's Constitution at Part 4.
- 7.6 In lighting up the fibre the Council needs to ensure that it is compliant with the terms and conditions of the Contract dated 31st March 2019 between City Fibre Limited, Adur District Council, and Worthing Borough Council which provides a procedure for lighting up the fibre as well as its installation.

Background Papers

- [Joint Strategic Committee Reports \(April 2019\)](#)
- [Joint Strategic Committee Report \(July 2018\)](#)
- 3rd Quarter Capital Monitoring Report - Report to the Joint Strategic Committee dated 10th March 2020

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Sustainability & Risk Assessment

1. Economic

- The availability of free-to-use public Wi-Fi services (Citizen Wi-Fi) in shopping areas, parks, the sea front, and community centres presents options to support and stimulate economic activity; linking local citizens and visitors with local businesses and commercial offers to increase footfall and economic activity, in addition to helping citizens understand the location and availability of services and activities in the towns. The Design Lab, referenced earlier in this report, focuses on establishing how Citizen Wi-Fi can be designed to optimise economic value.

2. Social

2.1 Social Value

- The public Wi-Fi service (Citizen Wi-Fi) will present local communities with ultrafast access to the Internet in shopping areas, parks, the sea front, and community centres. The service will be designed to support community needs, drawing key requirements through the user-centred design lab with interviews and research covering a number of different personas; business owners, freelancers, local citizens, visitors, and the digitally excluded. The design of the service will focus on optimising social value.

2.2 Equality Issues

- Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

- Matter considered and no issues identified.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- The design of the Citizen Wi-Fi service, in addition to social and economic value, will focus on how the service can add value in supporting environmental goals.

4. Governance

- Adur & Worthing Councils' are committed to establishing their towns as some of the best digitally connected locations in the UK, investing in dark fibre to trigger £25m of commercial investment for the availability of ultrafast connectivity services for residents and businesses. Citizen Wi-Fi will build on the foundations of the dark fibre investment, presenting 'free-to-use' ultrafast connectivity in the public places to support digital access to the Internet, and local information & services.